

Certified Payrolls

Cheryl Catron



Certified Payrolls - What we know....

- **REQUIRED** -- All federally funded construction projects
- **WAGES** -- Prevailing Wage Rates apply
- **PAY WEEKLY** -- Wages paid weekly
- **REPORT** -- Certified Payrolls Submitted weekly

Certified Payrolls - What else we know....

- All payrolls are submitted through the prime.
- Prime is responsible (store for 3 yrs)
- Nonconforming payrolls can result in withholding of contract payments to the prime.

Certified Payrolls - REQUIRED

Required on all federally funded construction projects



- Exceeding \$2000; Federal Aid Highway
- Davis-Bacon and Related Acts;
- Copeland Act; Fair Labor Standards Act; Contract Work Hours & Safety Standards Act
- FHWA 1273 in all contracts

Certified Payrolls



Required for all laborers and mechanics working on job site.

(Does not apply to Professionals.)

Certified Payrolls - Wage Decisions

Prevailing Wage Rates apply

- County
- Type - Highway, Heavy, Building, Residential
- Per the prime's contract
- 10 days before bid letting/bid opening date
- If award is 90 days from bid letting use current WD
- District Contract Compliance Manager/DCCM
- Post on Bulletin Board -- All pages!
- Include or reference Wages in Subcontracts





Certified Payrolls

- Pay employees weekly
- Certified Payrolls submitted weekly
- Prime - Collects, Reviews, Submits
- Subcontractors - No matter the \$\$\$
- Temporary Agencies
- Rental Agreements with Operator

Certified Payrolls - REPORTING

When are certified payrolls due?

7 days after the pay date

When is that?

Prime submits that info.,
for itself and each sub



Certified Payrolls -

Labor Interviews:

Conducted by Administrative Team

Monthly

Number is based on contract \$

Prime and all Subs can be interviewed

Certified Payrolls -

- Two parts to Certified Payrolls
 - Statement of Compliance
 - Statement of Pay Record
- WH-347 form or FDOT # 700-010-69
- Can use other format - Same info.



WEEKLY PAYROLL REPORTING REQUIREMENTS:

1. EMPLOYEE NAME and ID #
2. CORRECT CLASSIFICATION
3. DAILY AND WEEKLY NUMBER OF HOURS WORKED ON PROJECT
4. HOURLY RATES OF WAGES PAID & FRINGE BENEFITS
5. PROJECT GROSS WAGES
6. WEEKLY GROSS WAGES
7. DEDUCTIONS
8. ACTUAL OR NET WAGES PAID

**IF
PAYROLL
REPORTING
REQUIREMENTS
ARE NOT MET...**



PAYROLL VIOLATION

**ISSUED TO THE PRIME
TWENTY DAYS TO RESOLVE
SUBMIT VERIFYING DOCUMENTS**

**UNRESOLVED =
DEFICIENT NOTICE
PAYMENT CAN BE
WITHHELD**

U.S. Department of Labor

Wage and Hour Division

PAYROLL

(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)

Rev. Dec. 2008

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

NAME OF CONTRACTOR <input type="checkbox"/> OR SUBCONTRACTOR <input type="checkbox"/>	ADDRESS	OMB No.: 1235-0008 Expires: 02/28/2018
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PAYROLL NO.	FOR WEEK ENDING	PROJECT AND LOCATION	PROJECT OR CONTRACT NO.
-------------	-----------------	----------------------	-------------------------

(1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	(2) NO. OF EMPLOYEES EMPLOYED	(3) WORK CLASSIFICATION	OT OR ST.	(4) DAY AND DATE							(5) HOURS HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS						(9) NET WAGES PAID FOR WEEK
				S	M	T	W	T	F	S				FICA	HOLDING HOLDING TAX	MEDI- CARE	STATE WITH- HOLDING	OTHER	DEDUCTIONS DEDUCTIONS	
				HOURS WORKED EACH DAY																
John Doe (Example)	2	Weatherization Worker	O			2.00	2.00				4.00	37.50	846.00	55.02	196.50	19.00	39.30		309.82	1,000.18
			S		8.00	8.00	8.00				24.00	25.00	4.00	1,310.00						
			O																	
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While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) requires contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) factors and subpart 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete. Contractors are required to submit weekly a copy of all payrolls to be paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe, not less.

Public Burden Statement

We estimate that it will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection, including suggestions for reducing this burden, to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room 33502, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

(over)

WH-347

Statement
of Pay
Record

REMINDER

FORM DATES ARE SHOWN IN
UPPER RIGHTHAND
CORNER.

ALWAYS CHECK TO BE SURE
YOU ARE USING THE
LATEST FORMS.



U.S. Wage and Hour Division

Rev. Dec. 2008



OMB No.: 1235-0008
Expires: 02/28/2018

WH-347

Date

I, (Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by

on the
(Contractor or Subcontractor)

; that during the payroll period commencing on the
(Building or Work)

day of , , and ending the day of , .

all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

from the full
(Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

- ☐ — in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

- ☐ — Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE	SIGNATURE
<input type="text"/>	<input type="text"/>

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

WH-347

STATEMENT OF COMPLIANCE

FDOT
FORM
NO. 700-
010-69

STATEMENT
OF
COMPLIANCE

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
WAGE AND HOUR RECORD

700-010-69
Construction
02/11

Statement of Compliance:

DATE _____

I, _____
(Name of signatory party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by

_____ on the _____;
(Contractor or Subcontractor) (Building or work)

that during the payroll period commencing on the _____ day of _____
and ending the _____ day of _____ all persons employed

on said project have been paid the full weekly wages earned, that no rebates have been or will
be made either directly or indirectly to or on behalf of said

_____ from the full weekly

(Contractor or Subcontractor)

wages earned by any person and that no deductions have been made either directly or indirectly from the
full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3
(29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended
(48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. 3145), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above
period are correct and complete; that the wage rates for laborers or mechanics contained therein are not
less than the applicable wage rates contained in any wage determination incorporated into the contract;
that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

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Wage and Hour Record:Contractor's Name Address Payroll Number: For Week Ending Contract # FIN # Project and Location

(1) Employee Name and 4 Digit Identifier (9 digit SS and full address required on contracts Let prior to 1/13/09)	(2) Exemptions / Race & Gender	(3) Work Classif- ication	Bright/Over Time	(4) Day and Date							(5) Total Hours	(6) Pay Rate	(7) Project Gross / Weekly Gross	(8) Deductions					(9) Net Wages Paid for week	(10) Total from Fringe Benefit Sheet (attached)						
															FICA	With- holding tax					Total from Deduction Sheet (attached)	Total Deductions				
			O								0.00	0.00	0.00													
			S								0.00								\$0.00	\$	-					
			O								0.00	0.00	0.00													
			S								0.00								\$0.00	\$	-					
			O								0.00	0.00	0.00													
			S								0.00								\$0.00	\$	-					
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			O								0.00	0.00	0.00													
			S								0.00								\$0.00	\$	-					

FDOT FORM
NO. 700-010-69STATEMENT OF
PAY RECORD

**LET'S REVIEW THE FDOT
PAYROLL FORM
STARTING WITH THE
STATEMENT OF COMPLIANCE**

Signature **PAGE**

CERTIFIES THE PAYROLL

Statement of Compliance:

DATE _____

I, _____
(Name of signatory party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by

_____ on the _____ :
(Contractor or Subcontractor) (Building or work)

that during the payroll period commencing on the _____ day of _____
and ending the _____ day of _____ all persons employed
on said project have been paid the full weekly wages earned, that no rebates have been or will
be made either directly or indirectly to or on behalf of said

_____ from the full weekly
(Contractor or Subcontractor)

wages earned by any person and that no deductions have been made either directly or indirectly from the
full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3
(29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended
(48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. 3145), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

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EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

--

NAME AND TITLE	SIGNATURE
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Certified Digital
Signature
Or true Signature,
not a typed font.



Wage and Hour Record

Follow the payroll form to know what information to report.
(Even if you use a different format.)

Report Accurately!

Wage and Hour Record:Contractor's Name Address Payroll Number: For Week Ending Contract # FIN # Project and Location

(1) Employee Name and 4 Digit Identifier (9 digit SS and full address required on contracts Let prior to 1/15/09)	(2) Exemptions / Race & Gender	(3) Work Classif- ication	Bright/Over Time	(4) Day and Date							(5) Total Hours	(6) Pay Rate	(7) Project Gross / Weekly Gross	(8) Deductions					(9) Net Wages Paid for week	(10) Total from Fringe Benefit Sheet (attached)					
															FICA	With- holding tax					Total from Deduction Sheet (attached)	Total Deductions			
			O							0.00	0.00	0.00													
			S							0.00								\$0.00	\$	-					
			O							0.00	0.00	0.00													
			S							0.00								\$0.00	\$	-					
			O							0.00	0.00	0.00													
			S							0.00								\$0.00	\$	-					
			O							0.00	0.00	0.00													
			S							0.00								\$0.00	\$	-					
			O							0.00	0.00	0.00													
			S							0.00								\$0.00	\$	-					
			O							0.00	0.00	0.00													
			S							0.00								\$0.00	\$	-					
			O							0.00	0.00	0.00													
			S							0.00								\$0.00	\$	-					
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			O							0.00	0.00	0.00													
			S							0.00								\$0.00	\$	-					

Wage and Hour Record:

Contractor's Name	<input type="text"/>	Address	<input type="text"/>
Payroll Number:	<input type="text"/>	For Week Ending	<input type="text"/>
		Contract #	<input type="text"/>
		FIN #	<input type="text"/>
		Project and Location	<input type="text"/>

(1) Employee Name and 4 Digit Identifier (9 digit SS and full address required on contracts Let prior to 1/19/09)	(2) Exemptions / Race & Gender	(3) Work Classif- ication	(4) Day and Date	(5) Total Hours	(6) Pay Rate	(7) Project Gross / Weekly Gross	(8) Deductions						(9) Net Wages Paid for week	(10) Total from Fringe Benefit Sheet (attached)
							FICA	With- holding tax			Total from Deduction Sheet (attached)	Total Deductions		

Repeats Contractor and Project information from Statement of Compliance

Input section (4) Day of the week & Date

Input section (8) Deductions in two open columns as needed. Additional Deduction Sheets available.

(1) Employee Name and 4 Digit Identifier (9 digit \$\$ and full address required on contracts Let prior to 1/19/09)	(2) Exemptions / Race & Gender	(3) Work Classif- ication	(4) Straight / Over Time	(4) Day and Date							(5) Total Hours	(6) Pay Rate	(7) Project Gross / Weekly Gross
			O								0.00	0.00	0.00
			S								0.00		
			O								0.00	0.00	0.00
			S								0.00		
			O								0.00	0.00	0.00
			S								0.00		
			O								0.00	0.00	0.00
			S								0.00		
			O								0.00	0.00	0.00
			S								0.00		

(8) Deductions						(9) Net Wages Paid for week	(10) Total from Fringe Benefit Sheet (attached)
FICA	With- holding tax			Total from Deduction Sheet (attached)	Total Deductions		
					\$0.00	\$ -	
					\$0.00	\$ -	
					\$0.00	\$ -	
					\$0.00	\$ -	

Deductions Record:

Contractor's Name

Address

Payroll Number:

For Week Ending
FIN #

Contract #

Project and Location

Type a Deduction description in each box and then record the amount of that Deduction for each employee (or leave blank).

[illegible]

Deductions Record:

Contractor's Name

--

Address

3	
---	--

Payroll Number:

--

For Week Ending

--	--

FIN #

--

Contract #

--	--

Project and Location

n

Type a Deduction description in each box and then record the amount of that Deduction for each employee (or leave blank).

[illegible]

[illegible]

Certified Payrolls -

Does it apply to me?

INDEPENDENT CONTRACTOR

FEID NUMBER

SUBLET OR RENTAL AGREEMENT

PAYROLLS - NAME, CLASSIFICATION, HOURS WORKED

WORKING OWNER

20% EQUITY AND PARTICIPATE IN MANAGEMENT

SUBMIT SIGNED LETTER STATING OWNERSHIP

PAYROLLS - NAME, ID #, OWNER-541 EXCLUDED

WORKING FOREPERSON

PAYROLL OF EMPLOYER

FOREPERSON+CLASSIFICATION AND ALL OTHER PAYROLL DATA

Certified Payrolls - Who is reported wrong?

**INDEPENDENT
CONTRACTOR ON ITS OWN
PAYROLL; Owner-541
requires Letter.**

Ron Gelder														
		Owner-541	O								0.00	0.00	0.00	
5466		Excluded												
			S								0.00			
Tom Session														
		Foreperson	O								0.00	28.88	134.75	
5894		Op: Gradall												
			S	5	2						7.00	19.25	892.00	
Sean Heffner														
		Independent	O								0.00	0.00	0.00	
		Contractor,												
		Backhoe Op	S	8	2						10.00			

Wages can include:

- Hourly rates
- Fringe benefits

\$15.96 hourly wages per example

HIGHWAY / PARKING LOT STRIPING:

OPERATOR

(SPRAY NOZZLEMAN)11.94 4.02

Overtime \$21.93 in our example

Calculates 1.5 x base

Fringe paid for all hours

$\$11.94 \times 1.5 = \$17.91 + \$4.02$ fringe

HIGHWAY / PARKING LOT STRIPING:

OPERATOR

(SPRAY NOZZLEMAN)11.94 4.02

Classifications

Deductions

Fringe Benefits



ACCURACY
MATTERS!

Classifications

- Per wage table of contract
- New Classification Request
 - Applies to this project only
- [http://www.dot.state.fl.us/
construction/wage.shtm](http://www.dot.state.fl.us/construction/wage.shtm)
- Click WRD - Submitted by prime

Classifications

If employee performs work in more than one classification:

- Separate line per classification
- Or list Highest classification & its rate.



Deduction Standards- Copeland Act

Deductions are allowed:

- As required by law (taxes)
- As requested by employee (voluntary)
- As benefits employee
- Not against any existing law

Allowable Deduction

vs.

Cost of doing business



Deductions



Check with Subs.

What deductions do they make?
Are they allowable?

If unsure, Ask!

Deductions Allowed.....

As required by law

- Taxes
- Court Orders
- Provide supporting documents upon request

Deductions Allowed...

As requested by employee

- Still must meet USDOL standards
- Such as loans (pay advance)
- Provide supporting documents

Deductions -- IMPORTANT

Administration fees are not permitted deductions --

Except as per court order or law

Employers cannot profit or benefit financially by imposing fees or charging interest.

Deductions

Collective Bargaining / Union

- Dues - No USDOL approval to deduct
- Requires prior employee approval
- If deduction is not identified in the agreement or is identified as *union working assessment* on payroll - Need USDOL approval

Deductions Allowed without USDOL approval

Table 6.5.3.1 Deductions Generally Allowed without Contractor Application to or Permission from the US Department of Labor	
A	Federal, State income withholding tax; social security taxes
B	Amounts required by court order, such as child support payments
C	Repayment, without discount or interest, of employee advances or loans
D	Contributions to funds for medical or life insurance, retirement funds or pensions
E	Purchase of US savings bonds
F	Deductions for charitable organizations such as Red Cross, United Way
G	Automatic payroll deposits to a Credit Union
H	Union initiation fees and membership dues
I	Purchase of safety equipment of nominal value when such equipment is not required by law to be furnished by the employer
J	Reasonable cost of board, lodging or other facilities, when such meets the specific requirements of the Fair Labor Standards Act, Part 531 and special records are kept;
K	Transportation to and from the place of employment
L	Bona fide Fringe Benefits that are approved in writing by the employee.

Deductions

USDOL authorization required annually:

Use of a company vehicle

Uniforms Rental

Cell phone

dbadeductions@dol.gov

Fringe Benefits

- Funded
- Unfunded
- Must be paid fringe amount for ALL hours worked (Yes, OT)



Fringe Benefits

Health insurance

Life insurance

Disability insurance

Pension/retirement

Apprenticeship training

Vacation

Holidays

Sick leave

Supplemental

Fringe Benefits- Funded

- Contractor payments to a fund, plan or program
- Payments made irrevocably to a trustee or third party
- Payments made regularly, at least quarterly
- Cannot be claimed for employees not eligible (part time)
- Payments to pension funds must meet ERISA (Employment Retirement Income Security Act)
- Contributions to pension plans with 'vesting requirements' considered bona fide if monies remain in the fund, not credited to employer.

Fringe Benefits- Funded

HIGHWAY / PARKING LOT STRIPING:
OPERATOR

(SPRAY NOZZLEMAN)11.94 4.02

Quick Example:

Disability Insurance - Employer amount paid is the fringe benefit

Employer pays \$100 per month

$\$100 \times 12 \text{ months} = \$1200 \text{ yr} / 2080 \text{ hours} = .58 \text{ fringe benefit per hour}$
(2080 = 52 weeks per year x 40 hours per week)

Fringe Benefits - Unfunded

Monies are not paid by contractor into a third-party fund.
Contractor pays employee as the benefit is earned.

Paid Holidays, Vacation, Sick time

USDOL requires Contractor to set aside sufficient funds.

MUST MEET THESE REQUIREMENTS:

It is reasonably anticipated to be provided to the employee.

Benefit is a commitment that can be legally enforced.

Benefit has a financially responsible plan or program

Benefit has been communicated in writing to employees

The fringe contribution of most unfunded benefit plans varies based on the employee's actual hourly rate of pay. The following is an example of how 40 hours paid vacation would be calculated as a fringe benefit for two different employees who work 2080 hours per year (52 weeks x 40 hours per week):

	Actual Rate of Pay (excluding fringe)	40 hours vacation pay	Per hour fringe contribution for 40 hours paid vacation
Employee A	\$10.00	\$400.00	\$0.19 (\$400 divided by 2080 hrs)
Employee B	\$15.00	\$600.00	\$0.29 (\$600 divided by 2080 hrs)

Note: The total hours an employee works in the year whether on projects covered or not covered by Davis-Bacon are included for calculating the hourly contribution rate.



Let's
try
this!

Let's review a
Submitted
Certified Payroll.



PAYROLL VIOLATION- Apply?

VIOLATION CODE 1 - TIME AND A HALF NOT PAID FOR
OVERTIME HOURS WORKED

VIOLATION CODE 3 - IMPROPER CLASSIFICATION

VIOLATION CODE 4 - HOURLY RATE IS LESS THAN MINIMUM
RATE FOR THE CLASSIFICATION WORKED

VIOLATION CODE 5 - MATHEMATICAL ERRORS ON PAYROLL

VIOLATION CODE 6 - UNAUTHORIZED DEDUCTIONS

VIOLATION CODE 7 - OTHER, EXPLAIN IN COMMENT
SECTION OF FORM



LUNCH BREAK

